



# HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

## FISCAL NOTE

**SENATE BILL: 89**

**PRINTER'S NO: 1006**

**PRIME SPONSOR: Vance**

| <b>FISCAL IMPACT SUMMARY</b>            | <b>FY 2008/09</b> | <b>FY 2009/10</b> |
|---|-------------------|-------------------|
| <b>Expenditure Increase/(Decrease):</b> |                   |                   |
| General Fund                            | See Analysis      | See Analysis      |

### OVERVIEW:

Senate Bill 89 amends the Health Care Cost Containment Council Act by extending the sunset date to June 30, 2014. It establishes a Health Care Cost Containment Council Act Review Committee to: study, review and recommend changes to this act; review and accept changes suggested by committee members; approve to (by a majority vote) a report recommending statutory changes to the act; and submit such report the President pro tempore of the Senate and the Speaker of the House of Representatives within six months of the effective date of this act. The Health Care Cost Containment Council shall offer staff and administrative support necessary for the committee to carry out its duties. Members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.

The bill amends Section 4 of the Act to establish a payment data advisory group for the purpose of producing recommendations for: the collection of payment data by the Council; the analysis and manipulation of payment data; and the public reporting of payment data by the Council. It amends Section 5 to require the results of audits of providers or health care insurers be provided to the audited entities on a timely basis, not to exceed 30 days beyond the presentation of the audit findings to the Council.

The bill amends Section 6 of the act to prohibit the Council from requiring data sources to contract with a single vendor for the submission of any specific data elements to the Council and requires the Council to maintain a vendor list of at least two vendors that data sources may choose to use to submit specific data elements. The bill further amends Section 6 to require additional quality data elements be defined and released for public comment prior to the promulgation of regulations.

Finally, the bill requires the Legislative Budget and Finance Committee, by September 1, 2013, to submit to the Senate Public Health and Welfare Committee and the House Health and Human Services Committee a written report evaluating the management and performance of the council.

The amendment of Section 6 of the act shall take effect July 1, 2010. The remainder of the act shall take effect immediately.

**ANALYSIS:**

Although Health Care Cost Containment Council Act expired June 30, 2008, Governor Rendell issued Executive Orders that provided a transition period for the Health Care Cost Containment Council, allowing Council members and staff to continue to operate through June 30, 2009. The 2008/09 enacted General Fund budget included \$5.353 million for the operation of the Health Care Cost Containment Council. The 2009/10 Executive Budget recommends \$2.963 million for the Council and includes funding for 22 filled positions, representing a decrease of 13 filled positions from 2008/09.

It is assumed that the Council can carry out its data collection/reporting responsibilities under this act and that it can also cover the costs of the Health Care Cost Containment Council Act Review Committee with the budgeted resources recommended in the Executive Budget. However, it is possible that the proposed staff reduction could impact the number of projects completed by the Council in 2009/10.

Any cost to the Legislative Budget and Finance Committee to evaluate the Council should be absorbed by the committee's annual operating budget.

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**DATE:** May 11, 2009

**General Note and Disclaimer:** *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*